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Agenda item 4

INTEGRATING TRADE, ENVIRONMENT AND DEVELOPMENT: RECENT PROGRESS AND OUTSTANDING ISSUES

Summary by the Chairman*

1. The Commission on Trade in Goods and Services, and Commodities completed its first session on 19, 20 and 21 February 1997 by considering item 4 of its agenda, "Integrating trade, environment and development: recent progress and outstanding issues", on the basis of document TD/B/COM.1/3.

2. Many delegations remarked that this item, which had already been the subject of considerable work in UNCTAD and other forums, had taken on special importance in the light of, on the one hand, the WTO Ministerial Conference in Singapore in December 1996 and, on the other, the holding in 1997 of the fifth session of the Commission on Sustainable Development, the special session of the United Nations General Assembly and of various negotiations concerning multilateral environmental agreements.

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* Initially circulated to the Commission in TD/B/COM.1/L.2, this revised text incorporates the amendments made by the Chairman at the 5th (closing) meeting of the Commission, on 21 February 1997.

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3. Several delegations expressed the hope that UNCTAD would continue fully to play its role with regard to analysis, definition of strategies and strengthening of the capacities of developing countries. They saw UNCTAD as an international forum capable of initiating an integrated approach linking the three topics of trade, environment and development. Other delegations felt that those topics were still insufficiently integrated, to the detriment of environmental concerns.

4. Many delegations drew attention in their statements to the environmental and development benefits likely to derive from trade liberalization. Others said that those benefits were not automatic and that trade liberalization should be accompanied by specific environmental policies. There was general agreement that poverty was a greater factor of environmental degradation than international trade.

5. The discussion revealed the importance attached to positive measures (access to markets, technology, financial resources and training, etc.), although opinions differed as to the content of those measures. Certain delegations felt that they should be as binding as trade measures. Several delegations were of the view that positive and trade measures were not incompatible, but were among the tools for better integrating trade, the environment and development. Reference was also made to their implementation at the national and international levels and to the participation of developing countries in their elaboration.

6. The debate on eco-labelling highlighted the importance of the concepts of mutual recognition and equivalency, although certain delegations thought their implementation was still difficult. Some delegations expressed concern that measures relating to process and production methods might be a source of obstacles to trade.

7. Certain delegations felt that compliance with environmental standards might entail excessive costs for SMEs, particularly those in developing countries.

8. Several delegations expressed great interest in the secretariat's "BIOTRADE" initiative, which they saw as a means of establishing a link between trade issues and environment in the sphere of biodiversity. Some delegations expressed the hope that consultations on the matter would continue.

9. Many delegations said they viewed direct foreign investment as a potential vector of technologies that were environmentally friendly and could contribute to sustainable development.